

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-106-E - ORDER NO. 2006-270
APRIL 28, 2006

IN RE: Application of South Carolina Electric & Gas Company for Authority to Issue \$35,465,000 of its First and Refunding Mortgage Bonds to be Secured by its Existing Mortgage.) ORDER AUTHORIZING) ISSUANCE OF BONDS))
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This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of an Application, dated March 24, 2006, and filed on April 7, 2006, by South Carolina Electric & Gas Company (the "Company") (successor corporation to the South Carolina Power Company), whereby the Company sought certain relief in the nature of the authorization of a specific financing transaction pursuant to §58-27-1710, S.C. Code of Laws (1976). According to its Application, the Company proposes to issue \$35,465,000 principal amount of its First and Refunding Mortgage Bonds, 0% Series due December 31, 2098, to be dated as of the date of authentication, to mature on December 31, 2098, and to bear no interest. The bonds are to be deposited with JPMorgan Chase Bank, N.A., as trustee (the "Trustee") of the Company's Indenture, dated as of January 1, 1945, as amended and supplemented (the "Old Indenture"), to satisfy, in part, that Old Indenture's "sinking fund requirement," which becomes due on June 1, 2006. According to the Application, the bonds will be canceled by the Trustee pursuant to the terms of the Old Indenture.

The Company's Application asserts that the proposed issuance of the bonds is intended to "partially satisfy said 'sinking fund requirement' and minimize the expenditure of cash, thereby conserving the Applicant's cash for use in connection with its construction program and general corporate purposes." The principal amount of the bonds proposed to be issued will be deposited with the Trustee and will not be sold. As a consequence, no consideration will be received by the Company other than the preservation of its cash for its construction program.

Upon full investigation and review of the Company's Application and the assertions therein, the Commission is of the opinion, and so finds, that the purpose of the proposed issuance is proper and that the amount of the issue is reasonably necessary to accomplish the purpose for which the issuance is to be made. Consequently, the Commission finds that the relief sought in the Company's Application should be granted.

IT IS THEREFORE ORDERED:

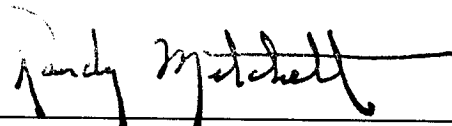
1. That South Carolina Electric & Gas Company (successor corporation to the South Carolina Power Company) (the "Company"), be, and hereby is, authorized to issue an additional \$35,465,000 principal amount of First and Refunding Mortgage Bonds, 0% Series due December 31, 2098, to be dated the date of authentication thereof, to mature December 31, 2098, and to bear no interest; that further, such bonds are to be issued under and pursuant to the terms of the Indenture of the Company, dated as of January 1, 1945, as amended and supplemented by fifty-three supplemental indentures, and are to be redeemable as specified in the Fifty-third Supplemental Indenture to the Old Indenture.

2. That the Company is authorized to deposit said \$35,465,000 principal amount of bonds with JPMorgan Chase Bank, N.A. Trustee, to satisfy, in part, the “sinking fund requirement,” which becomes due on June 1, 2006, under the sinking fund provided for in said Old Indenture, which bonds shall thereupon be canceled by said Trustee pursuant to the terms of the Old Indenture.

3. That this Order shall not in any way affect or limit the right, duty or jurisdiction of the Commission to further investigate and order revisions, modifications or changes with respect to any provision of this Order in accordance with the law, nor shall this Order dictate the ratemaking treatment of this transaction by the Commission.


4. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice Chairman

(SEAL)